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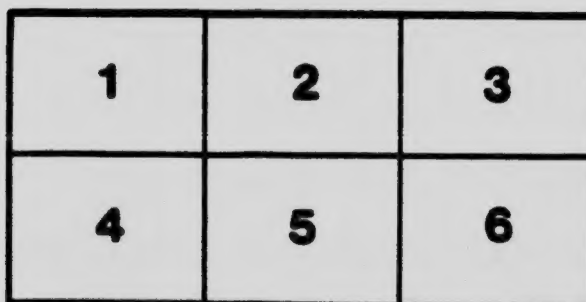
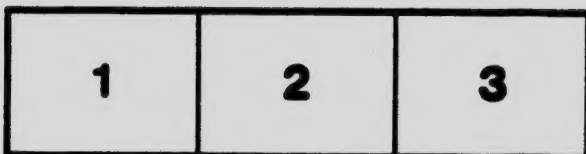
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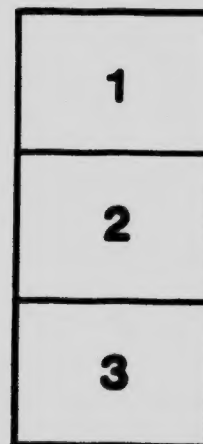
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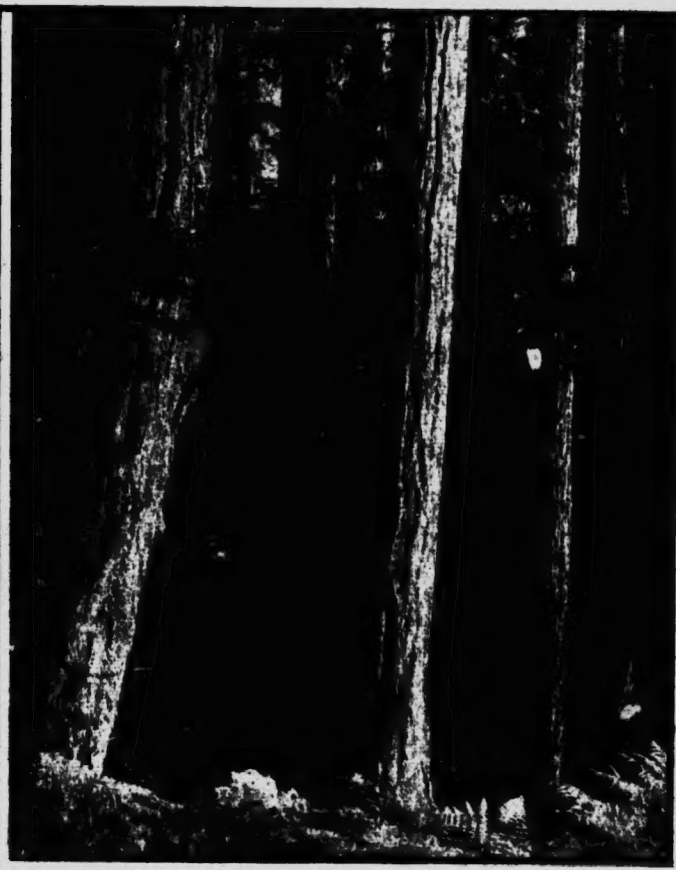


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BRITISH COLUMBIA FOREST POLICY

SPEECH BY
The Hon. WILLIAM R. ROSS, K.C. Minister of Lands.
10th February 1913.



Forest Near Alberni

Forest Policy of British Columbia

Speech by the Hon. William R. Ross, K.C.,
Minister of Lands

FEBRUARY 10th, 1913

The forest policy of British Columbia was reviewed in detail by the Hon. William R. Ross, K.C., Minister of Lands, when he moved the second reading of the bill for the amendment of the Forest Act. He spoke as follows:

"It is just a year since I had the honor of moving in this House the second reading of the Forest Bill. The past year has seen considerable change in forestry matters in Canada, and the present occasion, namely, the second reading of the bill containing certain amendments which have been found necessary to the Forest Act, affords a suitable occasion for a review of the progress that forest conservation has made.

"The Act of 1912 was in part a careful amalgamation of all preceding legislation affecting our Provincial forests, but it contained new features of considerable importance, chief amongst which was the very elaborate provision for the protection of our forests from fire. I have watched with considerable interest the manner in which this legislation of ours has been received by other legislative bodies and by the conservation movement of America. It is gratifying to note that the Act has been the subject of what I may venture to call enthusiastic praise in many quarters. Legislation in other parts of the continent has, I understand, been moulded to some extent on lines laid down by British Columbia in this Forest Act, and on such occasions as the meeting of the Pacific Logging Congress, the annual meeting of the Western Forestry and Conservation Association, and the Canadian Forestry Convention held at Victoria, lumbermen and forestry experts alike have expressed their strong approbation of this piece of

legislation, which they regard as a vigorous step forward in modern forestry.

FIRE PATROL IN SUMMER

"In addition to passing this important piece of legislation, the House last session voted the necessary funds for the organization of the forest service in this Province. In past years our forest administration has been carried on by several separate sections of the Lands Department. One section devoted itself to fire patrol in the Summer months, others dealt with the collection of forest revenue, the inspection of logging operations, and similar matters. My first task, therefore, as Minister of Lands, was to consider how best to amalgamate these separate organizations into a forest branch of my department. In this work I was considerably assisted by the example set by other Provinces of Canada, by States of the American Union, and, most of all, by the United States Forest Service. The latter in particular had, under the auspices of President Roosevelt and Mr. Pinchot, reached a high degree of scientific and business organization. It had developed a highly efficient staff of nearly 3,000 men engaged in the improvement, the business administration and the protection from fire of one hundred and forty million acres of Federal forest lands. It had shown how essential it was that a due proportion of technically trained men should direct and assist the non-technical personnel of the service engaged in managing forest property on modern lines.

RECRUITING STAFF

"In Canada, the Province of Quebec had led the way by establishing a training school for its forest service; the Dominion Forestry Branch had adopted the principle of recruiting its staff from men trained in the admirable forestry school that was established six years ago at Toronto University under Dr. Fernow, and from the forest school established in the University of New Brunswick in 1908. The Canadian Pacific Railway Company, in its Department of Natural Resources, had, as a purely business proposition, established a forestry branch for the safeguarding and development of the timber supplies essential to the maintenance of a great modern railway, and both the Commission of Conservation and the Dominion Railway Board of Canada had felt the need of an expert trained in forest science. Commercial forces also had been entering the conservation movement, as in the case of the great bonding companies that have become so important an adjunct of large-scale lumbering operations, with the result that the employment of technically trained foresters in making the surveys and

cruises upon which bond issues are based, had come into considerable vogue, so much that I may mention that during this past season there were about half as many trained foresters working for private companies in this Province as were employed by the Government.

USE TRAINED ENGINEERS

"Pulp companies in Quebec, Newfoundland and Ontario, had also been utilizing the services of trained forest engineers to a noticeable extent in making plans for the handling and protection of their large holdings of timber land. Even in the comparatively undeveloped West great companies are working their holdings under the supervision of technically trained men, since the size of these holdings nowadays makes it possible for operations to be conducted so that the cut-over areas may be left in condition for succeeding crops and the industry may be maintained in perpetuity within the area of a single company's holdings.

"With these examples before me, I felt the necessity of obtaining a due proportion of technically-trained men for the Forest Service of this Province. It proved, Mr. Speaker, to be no easy matter. Forestry on this continent is a very new development, and the number of men who, so far, have taken it up professionally, is very limited. Furthermore, amongst those available in Canada, comparatively few have yet been able to add the training of administrative experience to the technical training that has given them the necessary forestry viewpoint, and with the competition created by the requirements of other forest services in Canada and the progressive policy of the Canadian Pacific Railway, the number of experienced men that I could hope to obtain for our Provincial service was extremely limited. The forest school that I hope to see made a prominent feature of British Columbia's new university was, of course, still in the future, so that it was impossible to recruit the new service from native-born British Columbian foresters in the manner that I confidently expect to be possible before long.

QUESTION OF PERSONNEL

"The question of personnel for the new Forest Branch was thus one of the most difficult with which I was confronted. The men were needed, and needed at once, in order that no further delay should occur in placing the administration of our forests and their protection upon a sound and scientific basis. On the other side of the line, there existed a large supply of thoroughly trained men, who had gained practical administrative experience in the strenuous

work of organizing the one hundred and fifty-seven forest districts into which the enormous Federal forests of the United States are divided. Yet, as a Canadian who, above all, was swayed by the earnest desire to develop a thoroughly Canadian forest service, staffed by native-born Canadians—nay, further, by native-born British Columbians—I could not willingly draw upon this body of foreign experts. I am happy, Mr. Speaker, to say—and from the criticisms which have been levelled at me in this matter, I think I am correcting a widespread misapprehension when I say it—I am happy to say that, in the upshot, and at the expense of considerable effort, I was able to obtain in Canada practically the entire technical staff immediately needed for the inauguration and carrying on of the progressive forest policy this Government has adopted. In two cases only was I compelled to go across the line for experts who could infuse into the new organization the practical progressive ideas that have proven their business value in the United States Forest Service, and in the operations of great Western lumber companies. Thus, out of a total staff of over 250 during the past season, there were only two who were not British subjects.

RECRUITING TECHNICAL STAFF

"The recruiting of the technical staff, in view of the difficulties I have already indicated, occupied a considerable portion of the past Summer season, and while this staff was engaged in familiarizing itself with local conditions in this Province, and gaining touch with the previously-existing organizations that form the backbone of our forest service, it was naturally inadvisable to introduce radical changes into existing methods of conducting the Government forest business. At the same time, it was found possible to make a beginning upon several new lines of work, with which I will deal more in detail in the course of my following remarks. However, with the approach of this Winter season, the general situation had so far advanced that it was possible to begin the drafting of comprehensive plans for the division of the Province into forest districts, each of which would be an administrative unit for all forest purposes. I am pleased to say that these plans are already far advanced, and I anticipate that they will be put into effect before the opening of the coming fire season. These plans, by providing a nucleus organization on the ground in which each of the fourteen districts into which the Province will be divided, will make possible the handling of all local business in a far more expeditious and effective fashion than heretofore. This decentralization of administrative work will be facilitated by close supervision by a strong headquarters staff, whose duties, instead of confining them to office

work at Victoria, will enable them to make frequent tours of inspection from district to district, and so give the Victoria office that intimate grasp of local problems that only personal visits to each locality can give. This is in line with the policy that is being pursued in every branch of my department, and, as Minister in charge, I intend that the making of personal trips of inspection throughout the country will be one of the most important tasks.

FOREST PROTECTION

"In reviewing the history of the past twelve months, subject by subject, I naturally touch first of all upon the question of forest protection. It will be recollected that just at this time last year the continued representations made by this Government to the Dominion Railway Commission resulted in exhaustive attention being given by that body to the question of the prevention of the forest fires that have been so distressing an accompaniment of railway operation and railway construction in this Province. I had submitted to the Commission a comprehensive plan under which railways under Dominion control should maintain during the danger season a staff of patrolmen and an equipment for fighting fires along their rights of way. This plan was drawn out in detail, and I am happy to say that the Commission, after consideration of it, took most vigorous action. In fact, that body was prepared to adopt more drastic measures than this Government could approve. For example, it was proposed to make the burning of oil compulsory throughout the Province. Against this step we entered vigorous protest, for it seemed clear to us that the striking demonstration which recent years have afforded of the efficacy of constant patrol in supervising the fire hazard makes it essential that a patrol system should be thoroughly tried out upon railway lines before, as a counsel of despair, the extreme step should be taken of compelling railways to abandon the use of coal.

"There are many sources of fire danger along railroads under operation in addition to those arising from sparks escaping from locomotives. Because of these sources of danger, namely, travelers on the right of way, sectionmen burning ties, and passengers throwing burning matches and cigar-ends from smoking cars, patrol is necessary even where oil-burning locomotives are used. This Government, Mr. Speaker, apart from its responsibilities towards the forest wealth of the Province, is the custodian of the interests of the important coal mining industry, and we felt that a measure that would inevitably cause irreparable injury to that industry should not be hurriedly undertaken until every possible alternative

means of protecting timber lands along railway rights-of-way had been proven ineffective.

PATROL ORGANIZATION

"I am happy to say that in view of our representations the proposed compulsory oil-burning regulations of the Commission were withdrawn. On the other hand, the Commission sent out to British Columbia its Chief Fire Inspector, who, after consultation with the officials of the Provincial Forest Service and with the railways concerned, issued a series of orders calling upon the railway companies under Dominion control to establish a thorough system of patrol along their lines, which he indicated in detail. In addition, a number of the officials of the Forest Branch were invested with the authority of the Board to supervise the proper carrying out of these orders by the railways concerned. At last, Mr. Speaker, this vexed question of the control of the fire hazard along railway lines in this Province, through the gratifying co-operation between the Board and the Provincial Government, as well as definition of the responsibility of the railway companies, was placed on a thoroughly satisfactory footing.

"In the past few years we had developed a temporary organization by means of which each Summer a network of patrols had been established in the more dangerous districts. This organization had already taken the field when the recruiting of the new staff of the Forest Branch was in progress. It would have been the height of folly to have attempted any radical change in its organization or its methods while it was occupied in active work. Comparatively little change was, therefore, made in the Forest Protective Force during the past season, although railway construction by the Grand Trunk Railway and the Canadian Northern Pacific necessitated an immediate enlargement of the force. My tour of inspection during the months of June and July along the line of construction of the Grand Trunk Pacific, from Tete Jaune Cache to Fort George, brought home to me very forcibly the fact that far closer supervision of railroad construction work in these Northern districts was necessary than had so far been established, serious loss having occurred through carelessness of contractors burning the right-of-way for the Grand Trunk Pacific. Now the danger of fire arising from railroad construction is an entirely temporary condition existing in a particular locality for but a year or two, at most. The expense of the most intense supervision and control by a fire preventive force for this short period of time is negligible when compared with the value of the timber thus permanently preserved from an extremely serious but entirely transitory hazard;

and too much attention can hardly be devoted to a matter such as this, no matter what the immediate cost may be.

FIRES STAMPED OUT

"It was very noticeable that as soon as a thorough system of supervision of the railway contractors' work had been established and a sufficient force of patrolmen placed on duty by my orders, no further fires along the Grand Trunk Pacific Railway construction occurred; thus demonstrating once more the absolute efficacy of patrol.

"In this connection, Mr. Speaker, I note that two branches of the Dominion Government—the Conservation Commission and the Forestry Branch—have sent representatives to a conference in New York State to learn whether it is feasible to secure greater fire protection by requiring loggers to pile the brush resulting from their operations. While these experiments were thus being watched as a novelty, the matter had passed beyond the experimental stage in this Province, and the Government was actually securing the piling of debris resulting from logging operations conducted by contractors for the Grand Trunk Pacific Railway.

"The experience of the United States Forest Service and of the voluntary fire associations of the Western States has demonstrated in a remarkable way the value of permanent improvements, such as field telephone lines, trails, look-out stations, etc., in increasing the efficiency of a fire patrol force. Considerable attention, therefore, was devoted last Autumn to obtaining reports from the men in charge of the different divisions into which the Province was divided for fire purposes as to the need for permanent improvements. The inauguration of new work of this character demands most careful preparation, and it was felt that it would be unwise to make a hurried beginning on construction. Some tentative proposals are included in the annual report submitted by the Chief Forester, and I anticipate that active work in many parts of the Province will be begun as soon as the district system of organization that will insure proper supervision has been put into effect.

COMING SEASON'S PLANS

"The plans for the coming season foreshadow a 73 per cent. increase in the total Forest Protective Force; on the Coast a small fleet of Government launches, now under construction, will aid greatly in the work of suppressing fires in this most important district of the Province; interviews that I have had with representatives of the lumbermen's associations lead me to look at no distant

date for far closer co-operation between lumbermen and the Government service in the matter of fire prevention than has been possible hitherto; railway construction under Provincial charter will be closely supervised under the provisions of the Forest Act; and, finally, the district system of organization of the Forest Branch that I have dealt with in my foregoing remarks makes patrol of fire more effective during the coming season of 1913 than in any other section of Canada.

"A queer misapprehension as to its aim and object has often hampered the progress of the Conservation movement in other portions of this Continent. The idea seems to have got abroad that Forest Conservation means Forest Reservation, that modern forestry designs to lock up not only the forest but also areas suitable for agriculture that may be contained therein. I wish to point out, therefore, that one of the main objects of the forest surveys which are now in progress in this Province, is to discover areas suitable for agriculture in order that these may be eliminated from forest reserves and devoted to agricultural purposes. Another main object of these forest surveys is the general stock-taking of our timber resources so that we may base our forest policy upon a definite knowledge of the timber capital that we possess. The third is the preparation of maps and the securing of data that will be most useful in the planning of permanent improvements, and that will help in the suppression of forest fires. The general survey will, naturally, take some years to complete, but a good beginning has been made, and as fast as possible the information obtained will be made accessible to the public in printed form.

WOOD-MANUFACTURING INDUSTRIES

"A matter in which I am personally extremely interested is the encouragement and assistance that the Government of this forest Province hopes to give to the establishment of wood-using or rather wood-manufacturing industries in this country. Too much of our annual harvest of wood goes out of this Province in the raw state as lumber; too little of it is manufactured here into furniture, vehicles, and the enormous variety of wooden articles that we import. The people of British Columbia are, therefore, obtaining only a small percentage of the profit that comes through the manufacture of our home-grown timber. Our friends on the other side of the International boundary have demonstrated how a Government service may be of the greatest practical help to manufacturers of wood products. The fine wood-testing laboratories established at Madison, Wisconsin, and elsewhere, have conducted persistent experiments in testing the strength of differ-

ent United States timbers; in investigating the commercial possibilities of woods hitherto supposed of inferior value for the manufacture of pulp and paper, or of lumber; in discovering and trying out new uses for timber hitherto wasted; to developing by-product industries such as the extraction of turpentine, and in many other directions.

"I want to see this same line of work started in this Province. It is seldom worth while for private firms to expend money on prolonged experimentation. The utilization of British Columbia timber that is being wasted under present conditions; the investigation of methods of creosoting wood paving blocks; the commercial utilization of by-products such as turpentine and wood-alcohol, etc., must be the subject of study not by private individuals, but by Government experts—just as in the case of agricultural industries where pioneer work precedent to the commercial stage is recognized as a Government function. I hope we shall soon be able to make a start in British Columbia upon this useful work, and I look for the hearty co-operation of the lumbering industry, since the advertisement that we hope to give to the qualities of our British Columbia timber will be of direct help to that industry in the markets in which it meets competitors. That one matter of wood-block paving is a case in point.

TIMBER SALES

"At the end of 1907 a reserve was placed upon all Crown timber in this Province and, until the passage of the Forest Act last year, it has not been possible for lumbermen to purchase timber from the Crown. The Forest Act contained some tentative provisions for the making of timber sales, but in drafting this last year I was careful to deal with the matter in a very general way, since I foresaw that the field force for making numerous timber sales would not be obtainable until late in the year, and I purposed to await the present season before proposing amendments to the Act which would make possible the sale of Crown timber in a quick and efficacious manner. Even so, a considerable number of applications, some thirty in all, were received from operators during the year. In most cases application was made for small areas of timber that could most conveniently be cut while logging operations were in progress in their immediate neighborhood. Until the necessary field force for the examination of these areas had been obtained and organized it was inevitable that considerable information necessary to determine the advisability of making these sales in question, and in some cases it was inevitable that the operations which caused lumbermen to apply for these

small areas, and made their logging possible, should have ceased before the areas could be cruised and sales made. Nevertheless, the forest branch has been able to advertise seventeen sales, which, with rental, royalty and upset price involve a revenue to the Crown of some \$185,000. These are short term sales for immediate operation.

"Such cursory examination as the officials of the Forest Branch have been able to give and the data available points irresistibly to the striking fact that the annual growth of timber in British Columbia is about five times the amount that lumbermen of the Province are cutting each year. There are vast areas in which the forest is over-ripe—in which decay is greater than annual growth. Obviously, therefore, it is the duty of the Government to encourage by every means in its power the increase of lumbering operations until the annual cut of the Province equals the annual growth. Preliminary surveys already made disclose the existence of large and available areas of pulpwood in the central interior of the Province. Everything points to the conclusion that the amount of timber remaining unlicensed or unleased in the hands of the Government is much greater than has been supposed, and from every point of view a progressive policy of timber sales must sooner or later be undertaken. Already one-quarter of the public revenue is yielded by this great natural resource, and if land sales are excluded as being more or less a temporary feature of Provincial progress, we see that the forests supply one dollar in every three that the public treasury at present receives. A progressive timber sale policy will—in view of the facts I have stated above, together with the great increase in royalty due to the progressive development of lumbering operations, and the remarkable increase in stumpage values that will follow upon the opening of the Panama Canal—inevitably produce a vastly increased forest revenue henceforward year by year; a revenue upon which the public finances of this Province will be largely based, and upon which its prosperity will depend to an ever-increasing extent. I would draw the attention of members to the fact that the expenditure during the last fiscal year of one-fiftieth of the amount included in our annual estimates upon forest administration and protection is a very moderate discount upon these great expectations.

FOREST FINANCE

"This brings me to the question of Forest Finance. As the honorable members will have seen from the annual report of my department there are in existence slightly over 14,000 timber

licenses, a certain number of the original licenses issued in the years 1905, 1906 and 1907 having been cut over and relinquished by their holders, or having been abandoned for other reasons. The annual revenue from these licenses, by way of rental, amounts to \$1,846,000. The annual revenue from timber cut by way of royalty has increased nearly five fold in the last ten years and now amounts to nearly half a million dollars per year. The total revenue from the forests of this Province amounts to two and three-quarter million dollars.

"Coming to the question of expenditure we find that the cost to the Government of forest administration and protection has been as follows: Fiscal year 1910-1911, \$285,315; 1911-1912, \$204,661; and 1912-1913, \$278,647.

"These sums are inclusive of the Government's expenditure on forest protection, which has varied from about \$219,000 in 1910 to \$145,000 in 1911, and to \$116,000, during the past year. The total expenditure on forest protection during the present fiscal year ending March 31 next, taking into account the building of launches and the cost of various projected permanent improvements will approximate \$243,000, half of which is borne by the Government and half by the licensees and lessees of Crown timber and the owners of private timber lands, one cent per acre during the present year being levied on such holdings for the up-keep of the forest protective work.

"The Government's expenditure on the forests represents about 10 per cent. of the revenue derived from them. This is a very moderate proportion and it is pointed out by the Forestry Commission that as far back as 1908 Ontario was spending no less than 9 per cent. of her forest revenue on forest protection alone.

"The financial policy of this Government in forest matters has received a tribute of admiration from many sources. It possesses two essential requirements that the conservation movement of recent years demands, namely, the levying of taxation or stumpage charges at the time when the timber crop is being harvested; that is to say, the Government in selling the public timber benefits the operator by requiring the purchase money to be paid only when he is cutting the timber and earning his proper commercial profit on it.

"The second requirement essential to a sound forest policy is that the revenue derived from the forests should be as steady as possible. This is secured in British Columbia by the Government requiring a small fraction of the price at which it sells Crown stumpage to be paid in the form of rental. This steadiness

of revenue—or I might say this immediate revenue—is particularly valuable to a young country, such as British Columbia, possessed of great natural resources but needing money to open up and develop unsettled districts years before the return from the timber sold to licensees would be brought in in the form of royalty when the cutting of the timber thus disposed of takes place.

"The special license system of this Province simply amounts to this—that the Government gives cutting rights, or, as it were, the option on standing timber in return for an annual rental of 22 cents an acre west of the Cascades and 18 cents an acre east thereof, a charge that ranges roughly from one-half cent to 3 cents per thousand feet of timber, according to the density of the stand; while it requires the main payment on the public timber it sells to be made in the form of a royalty of 50 cents when the timber is cut.

"Now these are extremely favorable terms for the lumberman. He gets his timber on credit and, apart from this small charge of $\frac{1}{2}$ cent to 3 cents per thousand feet each year, he has only had to pay, up to the present time, a stumpage price on the timber he cuts that is by far the smallest stumpage price on this continent.

HISTORY OF ROYALTY

"To trace briefly the history of Provincial Royalty, I may say that we have until now been charging the price of 50 cents per thousand feet, a price fixed a quarter of a century ago. In 1907 when the present licenses were taken up, the Provincial Timber Inspector recommended an immediate increase of royalty charge to \$1.00. In April, 1907, the Government introduced a measure providing for an increase to 75 cents and at that time the lumbermen asked that the bill be allowed to stand over for a year, their arguments being to the effect that a committee should first investigate applying conditions, that lumbermen and not speculators would be affected, that although the lumber trade was then in good shape it might later decline in its prosperity and that, alternatively, if the royalty were increased, greater security of tenure and conditions should be given. To epitomize the conditions of the ten-year period from 1906 to 1916, it will be seen that at the start in the issuing of licenses the royalty had been expressly described as variable; in 1907 the proposal was made to advance the charge of 75 cents per acre; and now in 1916 the Government's proposal is that it shall be raised to \$1.00. Since the proposal to raise the royalty was made in 1907 several causes have decidedly increased the value of timber licenses, namely the

granting of perpetuity of tenure in 1910 and the reduction of the fire hazard by the establishment of a forest protection system.

"Thus today, Mr. Speaker, the Government is charging nominally the same amount for the timber that it sells as it did twenty-five years ago. In reality it is charging far less than twenty-five years ago, since 50 cents in money then was worth far more than 50 cents today. One of the most striking features of contemporary history, especially in the West, has been the tremendous rise in prices. While the price of everything has enormously increased, the price charged by the Government of this Province for its timber has not increased; it has, as I have pointed out, decreased heavily—decreased, perhaps, to half what it was twenty-five years ago.

"No justification for this decrease in the price of the public timber of British Columbia exists. Stumpage prices far in excess of our modest royalty have been current in this Province, in the Western States, even in the forests of Alaska, for years past. In other parts of the continent statistics show the rise that has taken place in stumpage values, the commercial value of standing timber having increased very considerably. As to lumber itself statistics show that the average price in Canada up to 1909 had risen faster than in the case of any other group of commodities except furs, and we all know that there has been a considerable additional increase in the three years since then.

"The rise in prices and the depreciation of the dollar is a home truth with which we are all familiar. It means as I have already said, that 50 cents in 1916 is an entirely different sum of money to what 50 cents was in 1906 when these timber licenses were issued; and that therefore when we increase the royalty to one dollar in 1916 we are not doubling it. We are partly offsetting the decrease in the value of money, and partly we are claiming a modest share in the rising value of Western stumpage.

"Why, Mr. Speaker, should this Government sell the timber of the Province at far below its market value? The small amount varying from one-half to three cents per thousand feet that is charged by way of annual rental has no appreciable bearing on the matter, since in Western Washington, for instance, the average annual taxation that has to be paid on timber on which the full purchase price has already been paid is eighty cents, or four times British Columbia's license rental.

"Years ago the struggling conditions of the lumbering industry made it impossible for the Government to claim more than this irreducible minimum for the timber it supplied to that industry. Of recent years the lumbering industry has got upon solid ground.

It has grown until its mills in this Province number over three hundred and fifty. The annual cut of lumber on the Coast has increased over 50 per cent. in the last two years. Temporary depression reduced the output of the mountain mills in the earlier part of 1912, but this transitory interruption to progress was succeeded by a fresh outburst of commercial success. The lumber cut of the Province is already one and a quarter million feet a year.

POSITION OF LUMBERING INDUSTRY

"To sum the matter up, it is obvious that our Provincial lumbering industry has emerged from its cradle and can stand upon its own feet without leaning upon the public treasury for support. It has gained a position in which it can afford to pay a reasonable market price for its timber. The opening of the Panama Canal, the phenomenal increase in the population of the Prairie Provinces that form the market of our mountain sawmills, and the home demand for lumber caused by the great influx of population and prosperity into this Province, all combine to assure a profitable future to our great forest industry. The Government, therefore, cannot justly continue to sell timber at a price that gives half the stumpage value of the annual cut as a bonus to the lumbering industry. The amendment to the Forest Act contained in the present Bill, therefore, provides that, after a reasonable time allowed in order that the industry may have the opportunity to adjust the details of its business to the change the royalty on Crown timber shall be raised to one dollar per thousand feet.

"There is, of course, the obvious fact that the timber held in the 14,000 licenses now in existence varies greatly in quality, accessibility and density of stand from one license to another. Theoretically the royalty should be delicately adjusted so as to vary from place to place in accordance with the commercial value of the timber. At the sittings of the Forestry Commission some years ago many proposals for this variation in royalty from one limit to another were brought forward and, looking ahead twenty or thirty years, I see no reason why some attempt at this theoretical adjustment of royalty may not some day be made. But, at the present time, and under present conditions, nothing but the rough-and-ready flat rate of royalty is possible.

SCALING NEEDS INVESTIGATION

"There is, however, one possible variation of royalty in this Province that requires serious investigation. The timber of the

Province falls roughly into two main classes, coast timber and mountain timber. The former grows in denser stands, contains a far higher percentage of No. 1 clear lumber, and for these and various other reasons may be, on the average, of greater value than average mountain timber. On the other hand, proximity to the prairie market adds to the value of the comparatively inferior mountain timber.

"The claim advanced by the mountain lumbermen is that they are entitled to a lower rate of royalty than coast lumbermen. In practice, they have been obtaining this lower rate, to an extent that has never been defined, by means of the use in mountain mills of that extremely defective method of measuring timber known as the Doyle rule. The large overrun obtained by using this rule has resulted in the mountain mills paying a lower net rate of royalty than coast lumbermen.

"Now, as to whether, or to what extent, the mountain lumbermen are entitled to this lower rate I do not know. It is a most important question that can only be solved by prolonged, careful and impartial investigation. The one thing about which I am clear is that any lower rate of royalty to which the mountain lumbermen are entitled should be based on definite reasons ascertained by careful investigation, and not based, as it is at present, upon the unknown deficiencies of an indefensible method of estimating the quantity of timber cut at each mill. There are thus two separate questions involved. The first is the discovery of a scale, that is to say, a method of measuring mountain timber which will give approximately the same results upon mountain timber that the scale used upon the coast gives upon coast timber. The second is whether the nature of mountain timber justifies a royalty different to that charged by the Government on coast timber. The British Columbia log rule has proved, in many respects, a thoroughly sound method of measuring the latter, but it was framed at a time when loggers cut timber into short logs and hauled them to the water by ox or horse teams. Since those days the donkey engine has revolutionized logging methods; far longer logs are now floated in the booms and scaled by Government scalers, and upon these logs the British Columbia log rule gives results that are unfair to the Government.

"The whole matter of scaling in this Province calls urgently for a most complete investigation. Both the Government and the coast and mountain lumbermen must be represented in a manner to secure for all parties concerned a thoroughly square deal. I trust that at no distant date a commission will be appointed before which all parties interested may be represented, so that the matter can receive the thorough attention it deserves.

NEW LEGISLATION

"Returning to the Bill now before the House, I need say but little about the remaining amendments to the Forest Act that it contains. Provision is made for a more expeditious method of making timber sales than the Act of last year provided; for permitting the export of pulpwood where that privilege would enable the new pulp and paper industry to enter the markets of the United States without the crushing incubus of the American tariff; while that part of the Act which deals with the marketing of timber has been recast in order to fulfill the requirements of our modern system of timber inspection. Apart from the foregoing, the only change of importance that is proposed is the increase of the levy to the Forest Protection Fund to 1½ cents per acre—an increase rendered inevitable by the extensive protection that will be given to the timber lands of the Province in the coming year by the Provincial Forest Service.

"In completing my review of the events of the past year, I should refer to the holding of the Pacific Logging Congress at Tacoma; the annual meeting of the Western Forestry and Conservation Association, composed of the voluntary associations of timber owners interested in fire prevention, at Seattle; and the highly-successful convention of the Canadian Forestry Association that was held at Victoria last Summer, on the invitation of the Provincial Government. I am much gratified that the Western Forestry and Conservation Association are proposing to hold their next annual meeting in British Columbia, for the value of these meetings is being felt to an interesting extent, not only by lumbermen and Government officials engaged in forest work, but also by the general public; and the practical ideas and suggestions for improved methods, particularly in the matter of fire prevention, that obtained publicity through the medium of these gatherings, do a great deal to advance the great cause of conservation.

SOLIDLY BEHIND GOVERNMENT

"The protection and business management of British Columbia's vast forests, Mr. Speaker, is a task that calls for earnest thought and persistent endeavor. We are trying to compress into a few short years the constructive work that in older countries has been the labor of generation after generation. Rapidity of action is essential to success in view of the tremendous developments that are changing this Province under our very eyes, from a pioneer and sparsely-settled region into the home of one of the most prosperous communities of the British Empire.

"I feel, Mr. Speaker, that the people of British Columbia—no matter what varieties of political opinion they may hold in other matters—are solidly behind this Government in its aggressive effort to push on the cause of conservation with the minimum of delay. Few of those who are not actively engaged in the work itself can realize the painstaking labor, the organizing, the disappointing setbacks, the unexpected difficulties, that the work involves. Another year of effort has now elapsed; the results—good as they are—may seem dwarfed by the immense amount of work that still remains undone; but I venture to assert that we retain the cordial approval of the citizens of the Province in our campaign for forest conservation. We do not view the progress of the last twelve months with smug complacency. Constructive work on a large scale is slow to start; it gathers momentum as it goes; and, Mr. Speaker, as Minister in charge of the forests of this Province, I have a modest confidence that the record of the coming year will set a new standard of forestry achievement in the West."

Sir Richard McBride, K. C. M. G., Premier, who followed the Hon. Mr. Ross, said: "As the leader of the Government, I desire to take this occasion to say that British Columbia is greatly in debt to the Minister of Lands, principally because of the manner in which he has undertaken the work of developing the Forestry Department and introducing and carrying through this House, legislation that has to do with the operation of that department. This has not been a light and easy responsibility. No man in the history of British Columbia has undertaken to go the length the Minister of Lands has done in the matter of forest conservation. The Bills over his signature have always had the greatest care and thought before being brought to this House. My friend from Newcastle may think that as the principal critic of the Government he has some justification for dealing with the work of the Minister in the casual manner in which he has done this afternoon, but I wish to state that there is not one single matter of greater importance to the people of British Columbia than is this work of conservation of the timber of our Province.

"I expect to see, by reason of increased transportation facilities by rail as well as through the development which will follow the opening of the Panama Canal, the timber business of British Columbia will double and double again in the near future and, as it grows, with the same proportion we must expect that this Legislature will continue to interest itself in what to my mind is easily the principal asset of the Province as far as public wealth is concerned."